

Annual Report 2014



KwaDukuza Resource Centre

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Chairperson's Report

It has been an absolute pleasure serving as chairperson alongside a dedicated board, management and staff for the past five years. The KwaDukuza Resource Centre has continued to develop its mission of participating in learning and teaching ventures by building connections with government departments and other NGOs while providing users with guidance to a wide range of resources.

In 2014, South Africa entered into its 20th year of democracy, although we have made headway in many areas, the standard of education is still a major issue. The KwaDukuza Resource Centre worked closely with the local Education Department training educators and preparing learners for examinations. Over 250 individuals participated in educator programmes at the Centre in 2014 alone.

Only 26% of the population of KwaDukuza have a matric, there is an unemployment rate of 34% and approximately 90% of the workforce in KwaDukuza are unskilled and earn less than R1 600.00 per month. When I reflect on the past year, the economic crisis and the poverty experienced in KwaDukuza and the surrounding rural areas is of major concern. Even after completing matric and in many cases graduating with a diploma from an FET college, employment is unobtainable for many youngsters due to the lack of required skills and work experience. That is why the high placement of learners participating on our skills programme that carried forward from 2013 was so exciting.

Project funding in 2014 was down from previous years, and the Centre made a loss of R 224 603. Even with the limited funds the Centre continued to contribute to the enhancement of education and skills through various programmes and workshops. Many strategic sessions were held with the finance and fundraising committee and going forward we will strive to strengthen our existing relationships and focus on partnering with organisations that will enable us to achieve the greatest impact while ensuring self-sustainability.

I would like to take this opportunity to thank all our donors for their support no matter how big or small and recognise the dedication of my fellow board members, staff and volunteers who worked extremely hard throughout the year. We will continue to ensure our processes are transparent and always centered on the needs of our learners, youth and the community at large.



M.M. Mazive



Overview

Walk into the KwaDukuza Resource Centre and you will be met by an extraordinary sight. Within the walls of these neat and pristinely kept premises, you will find rows and rows of youngsters poring intently over computers - in itself not an unusual sight in this age of computer games and ready access to technology. But add to the mix the fact that many of these youngsters come from rural villages, many without electricity, and the picture takes on a new perspective. Then, add to that the fact that most of these kids are here voluntarily and are doing homework assignments, and you are bound to do a double-take.

In the 1990s, educational resources like books, science equipment and computers were in short supply at many of the schools in the iLembe area of KwaZulu-Natal. In response to this problem, Sappi founded the KwaDukuza Resource Centre to help fill the gap experienced by all the schools in the district and provide access to resources to as many people as possible. Today, Sappi remains the principal funder of the Centre.

Since first opening in 2000, the Centre has provided internet access to thousands of people – learners and adults who have flocked here from day one and from the outset; the importance of the digital village was paramount. As it was important to make sure that members knew how to use the computers, a logical step was to introduce computer literacy classes, which are still popular among young and old. Saturdays are extremely busy, as are the afternoons when school is out, when learners line up, waiting to get a turn at the computers. They come to do research for school assignments and projects, they send and check e-mails, prepare CVs and apply for jobs, bursaries and the like. In short, this free internet connectivity gives the Centre's thousands of members - many of them normally unable to afford such luxuries – the opportunity to be part of our cyber-connected world, using a facility which is increasingly critical to people and serves to bring people and communities closer together. The time they get to spend on the internet is managed by the dedicated staff and the amazing volunteers who work at the Centre. They make sure that everyone gets a turn and can share fairly in these free world-class facilities that have been made available to them.

One of the most astounding aspects of this popular Centre is that in more than a decade of daily activity, it still looks like the day it opened. There is no graffiti on walls or worktops, no gum stuck under desks – in fact everything is in excellent working order and is neat and clean. The children that come here are quiet and orderly. They respect the Centre and appreciate the fact that they can work in pleasant surroundings that are well-maintained, clean and neat. Centre management believes that a key to the success of the Centre is that it has been established in partnership with



the community. By charging a nominal subscription fee it has ensured that those that come to use the Centre's facilities feel a sense of ownership and participation in its overall success.

A central lending facility catering for educators and learners from Grade R to 12 exists with resources that include biology models and chemistry sets, teaching material and audio visual media. The career guidance Centre motivates learners through aptitude testing and providing invaluable information and resources necessary to make an informed decision on career choices.

The KwaDukuza Resource Centre is also the hub for a variety of seminars and workshops and also offers a range of skills development programmes which include MST programmes, teacher training programmes and business skills programmes as well as its ongoing technology classes where learners are given lessons in engineering and technology. Administration services like printing, faxing, photocopying, lamination, and bookbinding are also provided at a nominal cost.

The Centre is run according to strict business principles, and in accordance with Sappi's own business ethic. As a non-profit organisation, it is managed by a board of directors drawn from members of the local business community and educationalists with many years of experience in the non-governmental organisation sector. The Centre still relies on donations and sponsorship from the business sector, but is constantly expanding the services it offers with the ultimate aim of being self-sufficient.

Mission Statement

The KwaDukuza Resource Centre participates in learning and teaching ventures by building connections, and establishing links to an increasingly global body of knowledge, as well as providing users with guidance to a wide range of resources.











The KwaDukuza Resource Centre is a shared asset of a diverse academic community dedicated to fostering achievement, leadership and life-long critical thinking. Further to this, the KwaDukuza Resource Centre will provide an educational forum for people interested in promoting effective school programmes as viable instruments in the educational process. With a welcoming environment that encourages personal enrichment, the KwaDukuza Resource Centre ties the academic community to varied cultural and scholarly traditions and works in co-operation with other professional educational organizations and NGOs.

Our Vision

The KwaDukuza Resource Centre will be influential in the enhancement of education, through the provision of resource materials that will benefit the broader community in the KwaDukuza and surrounding areas.

Governance

Board of Directors

<ul style="list-style-type: none"> • Chairperson of the KDRC Board • Education sector 	<ul style="list-style-type: none"> • Treasurer of the KDRC Board • Corporate Training and Development Sector 	<ul style="list-style-type: none"> • Deputy Chairperson of the KDRC Board • Education Sector 	<ul style="list-style-type: none"> • Director • Retired Corporate HR Sector 	<ul style="list-style-type: none"> • Director • Business Sector
Mr M Mazive 	Mr M Erasmus 	Mr S Sham 	Mr S Naicker 	Mr P Hlabisa 
<ul style="list-style-type: none"> • Director • Corporate Communications Sector 	<ul style="list-style-type: none"> • Director • Private Law Sector 	<ul style="list-style-type: none"> • Director • Education Sector 	<ul style="list-style-type: none"> • Director • Education Sector 	<ul style="list-style-type: none"> • Director • Governmental Sector
Ms Z Schwalbach 	Mr P Sham 	Dr K Gokar 	Dr I Machi 	Ms W Luthuli 

Board Meetings and Annual General Meetings

KwaDukuza Resource Centre's Board of Directors meet quarterly and the annual general meeting is usually scheduled for July.

Remuneration of Directors and Members of the Committees.

Directors of the Board and Board Committee members receive no remuneration.

Executive Management Committee

The Executive Management Committee is scheduled to meet eight times annually and is chaired by the General Manager, Mr G Naicker. The committee consists of Board members residing within the ILembe area.

Finance Committee

KwaDukuza Resource Centre's Finance Committee meets quarterly and is chaired by the Treasurer, Mr M Erasmus. There is also an external representative from the Sappi Stanger Mill finance department.

Policies and Procedures

The Board of Directors and its committees ensure strict adherence to all policies and procedures based on Sappi principals, but revised to meet the needs of the non-profit centre.

Auditors

The reappointment of Nkonki KZN was approved by the AGM on 24 July 2014.

Beneficiaries



Since inception, enrolment has reached approximately 22 900.



79% of our beneficiaries are Black Africans.



55% of our members are scholars, 14% are students and 31% are



Approximately 30 600 people visited the Centre in 2014.



742 Individuals went through computer related training.



256 Individuals participated in Educator programmes.



296 Scholars participated in MST development programmes.



320 People benefitted from HIV/Aids and career guidance programmes.

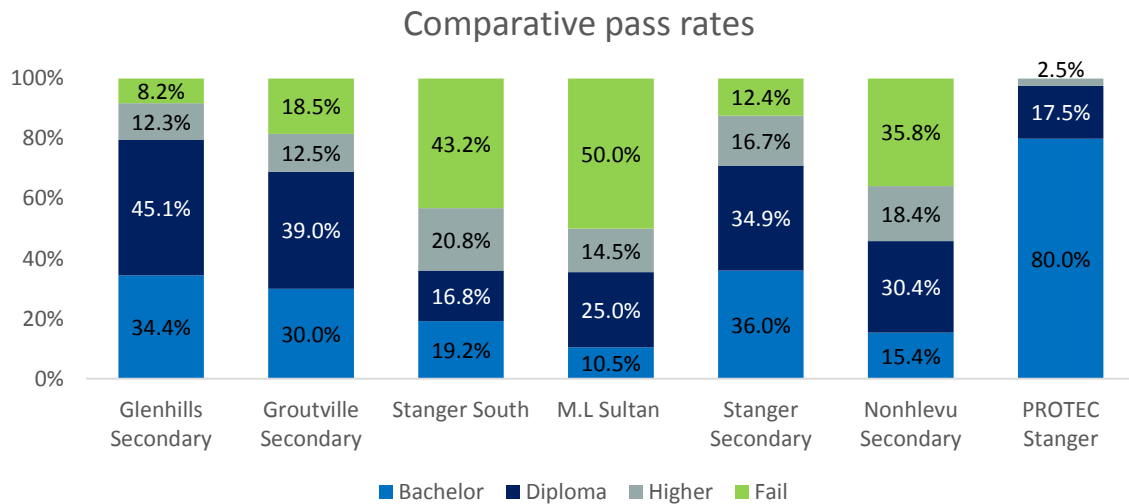


+ 5 100 people utilized our venue hire and administrative services.

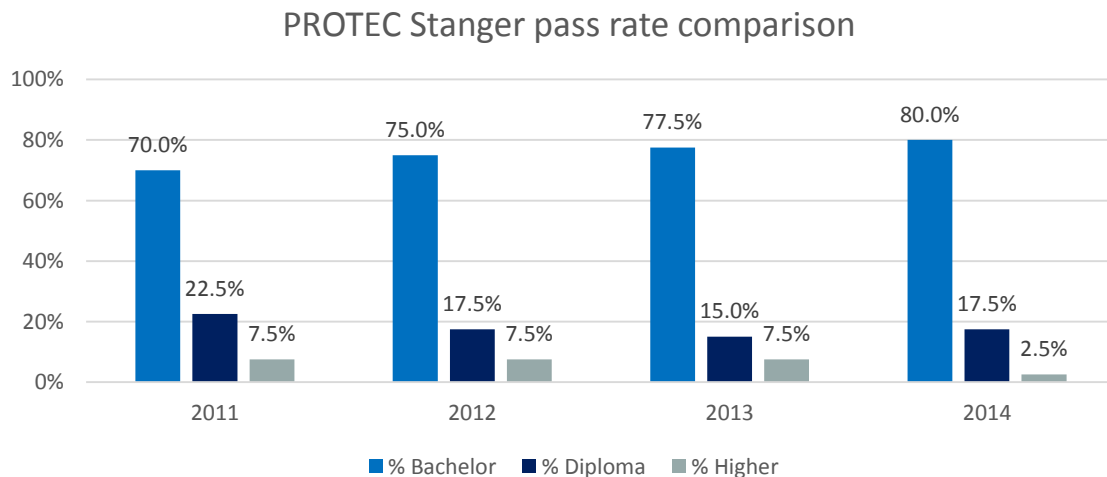
Learner Development

PROTEC Stanger

One hundred and twenty learners in Grade 10, 11 and 12 enrolled onto the PROTEC Stanger programme in 2014. This Sappi sponsored programme promotes technological and engineering careers and focuses on English, Mathematics, Physical Science and World of Work. Classes are held at the Centre on Saturdays and the learners also attend holiday classes, site visits and leadership camps. Learners were selected from local schools in and around KwaDukuza. The graph below compares the results of these schools' matric students with those on the PROTEC programme.



The number of learners achieving Bachelor passes have continued to increase even with the change in the National curriculum. KZN Province recorded 30.6% Bachelor passes in 2013 and 25.6% in 2014, the Ilembe District recorded 24.8% Bachelor passes in 2013 and 16.6% in 2014. The results in the graph below clearly indicate the high level of commitment from the PROTEC learners, tutors and staff.



Technology Classes

The KwaDukuza Resource Centre promotes engineering and technology at a young age, learners from local Primary schools visit the Centre once a week for technology classes, focusing on gears, levers, pulleys, force and structure design, problem solving, pneumatics and energy. These concepts are demonstrated both theoretically and practically, computer literacy is also offered to these learners at no cost.

Career Development

Career development plays an important part in the development of education in our youth. All learners participating in programmes at the Centre are career guided through testing and evaluation and are given resources on numerous careers, tertiary institutions, financial aid and bursaries.

Extra Tuition

Many schools do not effectively cover the prescribed curriculum throughout the year and learners that cannot afford extra tuition suffer the consequences. The Centre therefore decided to introduce extra Mathematics and Physical Science tuition at an affordable rate for grade 11 and 12 learners in 2014.

Computer Classes

In addition to computer fundamentals taught bi-weekly during the free computer classes, grade 12 learners were guided through on-line applications for tertiary entrance, researching career options, bursaries and financial aid by our computer facilitator.

Nedbank Back to School Campaign

Nedbank Foundation once again supported our local schools through uniform and stationery handouts. On 3 March 2014, KwaDukuza Resource Centre and Nedbank representatives visited two schools to present the donated uniforms. Twenty five scholars selected from both Shekembula and Stanger South Secondary Schools received a uniform including shirt, skirt / trousers and shoes. Each child also received a stationery box with general stationery (books, files, maths sets, calculators, etc.) needed for the year.



PROTEC site visit to UKZN Science Centre.



Primary School learners make steam cars during practical lessons.



Career guidance is included in all learner programmes.

“I Care” Club

The KwaDukuza Resource Centre promotes philanthropy within the community we serve and encourages those involved with the Centre to follow suit. The “I Care Club” was started with the PROTEC grade 10 and 11 learners, but is open to anyone passionate about the environment and the community. The club which has around seventy members, partnered with Food for Life, to raise funds and feed approximately eleven thousand seven hundred and fifty indigent people in KwaDukuza and the surrounding communities on Mandela Day. The club raised R 11 500, 00 and assisted in the packing and distribution of meals to local old age homes, the hospital and clinic.

Skills Development

Volunteer work skills

The Centre equips youth with a variety of skills through its volunteer programme, increasing their chance of employment. The volunteers perform basic administrative tasks and are assisted with CV preparation and interview skills while receiving help sourcing employment locally and nationally. From the twelve volunteers serving in 2014, seven have acquired permanent employment.

In-service training

The Centre has formed a partnership with Umfolozi College providing in-service training to their third year Office Administration students. Six students completed ten days of compulsory in-service training gaining various skills, three of the students continued to volunteer at the Centre on Saturdays and during holidays after their mandatory in-service was completed.

Four students participating in a five month End-user computer training programme held at the Centre, were selected to complete their in-service training from October 2014 till March 2015 through the KwaDukuza Resource Centre. This entire programme was sponsored by the KwaDukuza Municipality.



Support of rural schools through uniforms and stationery.



Empowering youth through technology.



Funded Skills Development Programme.

Funded Skills Development Programmes

The three concurrent skills projects sponsored by Absa Foundation, Afrisun KZN Community Development Trust and DG Murray Trust in 2013 successfully concluded in February 2014. The ninety participating youth gained improved soft skills, financial knowledge and “know-how”, a greater ability to handle conflict and improved communication awareness and skills.

The majority of the students have improved their outcomes through securing employment, entering into entrepreneurial ventures or by enrolling to study at tertiary level. Some of the students are doing a combination of all three.

Placement	No. of students
Employed	29
Studying	16
Entrepreneur	23
Volunteer	1

Success stories of the participating youth

Nonhlanhla Mathonsi started a vegetable garden at home where she grows spinach, cabbage, onions, beetroot and butternut. Her vegetable business is doing well and she has started another venture whereby she provides photocopying and printing services for people in her area.

Pretty Ncube has a business where she sells bags to young women, the business is progressing and Pretty wishes to one day expand her business and maybe start her own brand. From money she has made from her business, she has been able to enroll at Unisa and is studying Youth Development.

Zamo Zikhali started a catering company in Doringkop; she caters for parties and funerals, without the catering business Zamo says she would not be able to survive, as she had no money for food.

Through the KwaDukuza Municipality, Walter Cele completed a 3 week tunnel farming course and enrolled as an environmental studies learnership – The learnership programme started mid-March and will continue for a 1 year period. He has registered a company with 4 other youth in order to secure a position on the Enterprise ILembe partnership programme. The Enterprise ILembe partnership is a model for support to be given to subsistence and small farmers, by enabling local producers and growers to access confirmed markets utilising schools and other outlets throughout the Province of KwaZulu-Natal. They will provide everything needed to start a tunnel farming business and provide mentorship to ensure the success of the venture.

Barclay's Unlocking Youth Potential

Through an invite by the Absa Foundation, twenty post matric youth were bussed to Durban to attend an entrepreneurial workshop in June 2014. The students were selected from past skills and training programmes at the Centre. Two hundred and forty youth divided into groups of ten attended the workshop which focused on how to work with different people – communication skills, social acceptance and team work as well as the difference between an entrepreneur and a business person. One of the groups from the KwaDukuza Resource Centre won first place in the business plan competition for their ceramic arts entrepreneurial plan.

Teacher Development

The Anglo American Chairman's Fund once again sponsored the teacher training programme for mathematics, natural science and technology educators teaching grades four, five and six learners in the Phambela and Stanger central districts. The Centre worked closely with the relevant subject advisors and Ward managers during the planning, implementation, moderation and evaluation of the programme. The programme focused on the third term's curriculum, CAPS, assessments, and practical lessons. Cognitive levels and weighting as well as ANA preparation from grade four to seven was covered and educators were empowered with computer skills and recommended websites to assist with their lesson planning. Educators received an abundance of material and resources, including Mathomath booklets, stencils and software, which is a huge success overseas, blackboard maths sets and more. Software from Khan Academy was installed on the Centre computers which the educators loaded onto their USBs.

Extracts from participating schools and the Department of Education.

"The impact of the programme you offered is evident in the preliminary ANA results, implementation of the CAPS curriculum and assessments in schools." Mr T. Woodraj – Circuit Manager, Dept. of Education.

"Your workshops have indeed empowered my educators and has impacted positively to the enhancement of education at our institution." Mr M Janak – Principal of Ashville Primary School.

"As schools are situated in rural areas and they do not have enough resources and workshops of this nature, it has therefore benefitted those educators who teach maths and natural science in the primary school tremendously." M.B. Nxaba – (Act) CES: Circuit Manager, Dept. of Education.

"The Principal and staff of the above mentioned school would like to convey a message of appreciation to KwaDukuza Resource Centre and Anglo American for hosting these series of Maths and Science workshops in order to assist in teaching these key SUBJECTS and instilling its love. We are a school situated in rural area; therefore we do not have enough resources; but through these workshops the educators have learnt to recycle and do the practicals with learners not to wait for a school to buy for them the apparatus." L.T. Sibisi – Principal of Prospect Farm Primary School.

"Our learners are now exposed to more activities and standardised assessments. We have seen so much improvement in our learners." C.T. Ngubane – Principal of Nsonono Combined Primary School.

Funders

The Board of Directors of the KwaDukuza Resource Centre would like to thank the following individuals and companies for their support of the Centre.

Absa Bank

Anglo American Chairman's Fund

Internet Solutions

Kallichurums Radio & TV

Nedbank Private Wealth

Randeels Electrical

Sham and Meer

Vikesh Panday & Associates

Afrisun KZN Community Development Trust

DG Murray Trust

K9 Security

KwaDukuza Municipality

Nkonki KZN

Reliance Printing Works

Sappi Southern Africa (Pty) Ltd

Stanger Textiles

Needs of the Centre

Sappi, as our principal funder donates R 600 000.00 per annum towards our R 1.4m operations budget. The donation from Sappi and the small income from our self-sustainability efforts assists greatly in the running of the Centre; however, we still rely on sponsorships to successfully run the Centre. With your help, we can continue to offer services and resources to the underprivileged and equip them with life skills.

Benefits of donating to the KwaDukuza Resource Centre

- A special function will be held highlighting specific donations.
- Donors will receive Tax benefits (A Section 18A receipt will be issued.)
- Sponsorship will be highlighted in our local newspapers
- Donors will feature on our website
- Donors will receive branding (All donations of R 50 000.00 or more will have their company logo displayed on the windows of the Resource Centre).

Types of donations

A. Monetary donations

A plaque carrying your sponsorship will be mounted on each donated item

- Cubicle donation – R 1 500.00 per cubicle per annum
- Computer donation – R 8 000.00 for the life of the computer (3 to 6 years)
- Any substantial item donated to the Centre.

B. Project Funding

All project budgets are setup to meet funder's specifications and requirements. The Centre is involved in a number of educational projects held at the Centre, and in the rural areas. The Centre is competent to implement any educational projects for organisations or corporates CSI projects: Examples of projects the Centre has been involved in:

- Mathematics, Science and Technology Education for Primary and secondary schools.
- Educator development for Non Specialists in a particular subject field.
- Physical Science, Mathematics, English and Accounting intervention for Grade 10, 11 and 12 learners.
- Technology classes for learners and educators.
- Pastel Accounting for educators and school financial personnel.
- Career counselling for learners.
- Computer literacy classes for learners and adults.
- CAT lessons for schools that do not have computers.
- Office Based computer course using Microsoft Unlimited Potential Curriculum.
- Teacher upgrade for underprivileged educators who find it difficult to cope in the classroom.
- School Governing Body's Policy Plan.
- HIV/Aids workshops for learners, educators and parents.
- Skills development for post matric students.

C. In-kind Donations

- Flooring (Carpeting, tiling or laminate flooring)
- General office equipment
- Computers
- Security
- Air conditioners
- Furniture
- Expertise in a certain fields (e.g. Auditing, web design, computer facilitation, etc.)

There are numerous items that the Centre requires that are not listed above. If you feel that you are in a position to assist the Centre in any way, please contact the Centre.

Contact person: Sharon Olivier

Tel: +27 (0)32 551-6251

Email: sharon@resourcecentre.org.za

Financials

Treasurer's Report

The Centre experienced a good operational year in keeping with objective of growth and development within our environment. Major success and upkeep of the services rendered is attributed to the dedication and commitment from the staff. However, due to the economic decline, the revenue of the Centre has been adversely affected. Despite the economic downturn, and reduced revenue earning potential, the Centre has done well in the area of cost management.

Year on year, revenue saw a 29% decline with R1 184 313 being raised in 2014. Own income generation is still a strong focus point of the staff and financial committee. Venue hire for business meetings and seminars have been on an increase and every effort will be made to maintain and grow this source of income.

Despite closing the 2014 financial year with a deficit of R224 603, the Centre still holds a strong cash balance to cover all business related expenses. In the outlook, every effort will be made by the Centre to achieve a surplus in the 2015 year, through sponsorships, income generating projects and seeking business partnering opportunities with other institutions. The staff are committed to building stronger relationships with potential funders and are striving high to reach out to more organizations. The fundamentals of good governance are highly prevalent with the Centre and I believe the funding challenges will be overcome.

We are confident that the dedication of our staff and good track record will be sufficient to retain the current donors. In light of changing conditions and demands, embarking on a Centre upgrade is planned to generate more revenue to the Centre. The programs held by the Centre will ensure we maintain the status of being an exemplary NGO in the region.



A handwritten signature in black ink, appearing to read 'M. H. Erasmus', written in a cursive style.

M. H. Erasmus

Annual Financial Statements

Directors' Responsibilities and Approval

The directors are required by the Companies Act 71 of 2008, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditor is engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

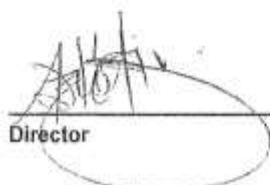
The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

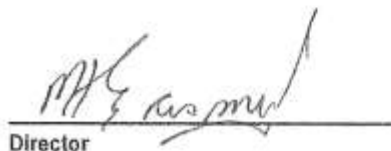
The directors have reviewed the company's cash flow requirements for the next twelve months and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently reviewing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditor and their report is presented on pages 3 and 4.

The annual financial statements set out on pages 6 to 17, which have been prepared on the going concern basis, were approved by the board of directors on 22 June 2015 and were signed on its behalf by:



Director



Director

Independent Auditor's Report

To the members of Kwa Dukuza Resource Centre NPC

We have audited the annual financial statements of Kwa Dukuza Resource Centre NPC, which comprise the statement of financial position as at 31 December 2014, the statement of comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes as set out on pages 7 to 17.

Directors' Responsibility for the Annual Financial Statements

The company's directors are responsible for the preparation and fair presentation of these annual financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the requirements of the Companies Act 71 of 2008. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the annual financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these annual financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the annual financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for qualified opinion

In common with similar organisations, it is not feasible for the entity to institute accounting controls over cash collections from donations prior to the initial entry of the collections in the accounting records. Accordingly, it was impracticable for us to extend our examination beyond the receipts actually recorded.

Opinion

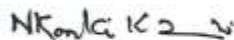
In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the annual financial statements present fairly, in all material respects, the financial position of Kwa Dukuza Resource Centre NPC as at 31 December 2014, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the requirements of the Companies Act 71 of 2008.

Other reports required by the Companies Act

As part of our audit of the annual financial statements for the year ended 31 December 2014, we have read the Directors' Report for the purpose of identifying whether there are material inconsistencies between this report and the audited annual financial statements. The Directors' Report is the responsibility of the directors. Based on reading the Directors' Report, we have not identified material inconsistencies between this report and the audited annual financial statements. However, we have not audited the Directors' Report and accordingly do not express an opinion thereon.

Supplementary Information

We draw attention to the fact that supplementary information set out on page 18 does not form part of the annual financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.



Nkonki KZN
Registered Auditor
Per: M.A. Motala

22 June 2015
84 Balcomb Street
Stanger
4449

Directors' Report

The directors submit their report for the year ended 31 December 2014.

1. Review of activities

Main business and operations

The company continued to operate as an educational institution dedicated to supporting educational initiatives in the local community. The company achieves this objective by providing venues and equipment for public schools and educational institutions engaged in public benefit activities, supplementary tuition and outreach programs for the needy, all within the greater Kwa Dukuza area. The company was incorporated in February 2003 and commenced operations in April 2003.

The operating results and state of affairs of the company are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

Net loss of the company was R224 603 (2013: profit R74 591).

The company is exempt from taxation in terms of Section 10(1)(cN) of the Income Tax Act, 1962.

2. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

3. Post balance sheet events

The directors are not aware of any matter or circumstance arising since the balance sheet date, not otherwise dealt with in this report or the annual financial statements that would affect significantly the operations of the company or the results of its operations.

4. Directors

The directors of the company during the year and to the date of this report are as follows:

M.M. Mazive (chairman)
M.H. Erasmus (treasurer)
S. Sham (vice - chairman)
I.Z. Machi
K.K. Gokar
P. Sham
P.J. Hlabisa
S. Naicker
W.M. Luthuli
Z. Schwalbach

5. Secretary

The company did not appoint a secretary during the year and no mandatory requirement exists to make such appointment.

6. Interest of directors and officers

There were no contracts in which the directors and officers had any interest during the period under review.

7. Auditor

Nkonki KZN, represented by M.A. Motala; will continue in office for the ensuing year.

8. Level of assurance

Although the directors have determined that the company's public interest score is below 100 points, the company's existing Memorandum of Incorporation allows for these annual financial statements to be voluntarily audited.

Statement of Financial Position

	Note(s)	2014 R	2013 R
Assets			
Non-Current Assets			
Plant and equipment	2	173 126	122 589
Current Assets			
Trade and other receivables	3	157 954	441 746
Cash and cash equivalents	4	1 117 931	816 123
		<u>1 275 885</u>	<u>1 257 869</u>
Total Assets		<u>1 449 011</u>	<u>1 380 458</u>
Equity and Liabilities			
Equity			
Retained income		975 526	1 200 129
Liabilities			
Current Liabilities			
Trade and other payables	5	7 510	51 435
Provisions	6	8 265	6 600
Unspent conditional donations	7	457 710	122 294
		<u>473 485</u>	<u>180 329</u>
Total Equity and Liabilities		<u>1 449 011</u>	<u>1 380 458</u>

Statement of Comprehensive Income

	Note(s)	2014 R	2013 R
Revenue	8	1 184 313	1 666 714
Operating expenses	9	(1 446 439)	(1 623 848)
Operating (loss) profit	10	<u>(262 126)</u>	<u>42 866</u>
Interest income	11	37 523	31 725
(Loss) profit before taxation		<u>(224 603)</u>	<u>74 591</u>
Taxation	12	-	-
(Loss) profit for the year		<u>(224 603)</u>	<u>74 591</u>
Other comprehensive income		-	-
Total comprehensive (loss) income for the year		<u>(224 603)</u>	<u>74 591</u>

Statements of Cash Flow

	Note(s)	2014 R	2013 R
Cash flows from operating activities			
Cash receipts		1 468 105	1 416 525
Cash paid to suppliers and employees		(1 077 569)	(1 725 776)
Cash generated from (used in) operations	13	390 536	(309 251)
Interest income	11	37 523	31 725
Net cash from operating activities		428 059	(277 526)
Cash flows from investing activities			
Additions to plant and equipment	2	(126 251)	(54 543)
Total cash movement for the year		301 808	(332 069)
Cash and cash equivalents at the beginning of the year		816 123	1 148 192
Total cash and cash equivalents at end of the year	4	1 117 931	816 123

Statement of Changes in Equity

	Retained income R	Total equity R
Balance at 01 January 2013	1 125 538	1 125 538
Total comprehensive income for the year	74 591	74 591
Total changes	74 591	74 591
Balance at 01 January 2014	1 200 129	1 200 129
Total comprehensive loss for the year	(224 603)	(224 603)
Total changes	(224 603)	(224 603)
Balance at 31 December 2014	975 526	975 526

Detailed Statement of Financial Performance

	2014 R	2013 R
Revenue		
Donations		
- ABSA	11 800	138 200
- Afrisun KZN Community Trust	11 800	138 200
- Anglo American Chairman's Fund	81 000	71 208
- D.G. Murray Trust	3 400	173 600
- Nedbank Foundation	8 600	141 400
- Nedbank Private Wealth	9 094	140 906
- Sappi Limited	702 290	600 000
- Other donations in kind	163 598	133 135
Printing, seminar and service fees	160 854	95 126
Registration fees	22 597	25 135
Stationery and related items	9 280	9 804
	<u>1 184 313</u>	<u>1 666 714</u>
Operating expenses		
Annual duty	(450)	(450)
Auditor's remuneration		
- current year fees	(21 090)	(15 400)
- other services	(570)	(570)
- prior year under provision	(924)	(855)
Bank charges	(3 979)	(5 205)
Cleaning	(90 270)	(78 842)
Computer expenses	(108 460)	(101 046)
Depreciation	(75 055)	(71 035)
Employee costs	(506 824)	(656 777)
Insurance	(24 557)	(22 053)
Internet subscription	(35 513)	(34 713)
Licences	(18 465)	(14 236)
Loss on scrapping of plant and equipment	(659)	-
Magazines, books and periodicals	(269)	(301)
Marketing and branding	(22 702)	(12 441)
Printing, stationery and postage	(40 183)	(59 918)
Rental - premises	(292 272)	(292 771)
Rental - share of rates and municipal expenses	(161 707)	(177 303)
Repairs and maintenance	(3 088)	(808)
Security	(4 273)	(3 120)
Staff training	(6 400)	-
Staff welfare	(5 690)	(6 389)
Telephone and fax	(17 900)	(21 298)
Travel and entertainment	(7 139)	(48 317)
	<u>(1 446 439)</u>	<u>(1 623 848)</u>
Operating (loss) profit before interest	<u>(262 126)</u>	<u>42 866</u>
Interest income	37 523	31 725
(Loss) profit before taxation	<u>(224 603)</u>	<u>74 591</u>
Taxation	-	-
(Loss) profit for the year	<u>(224 603)</u>	<u>74 591</u>